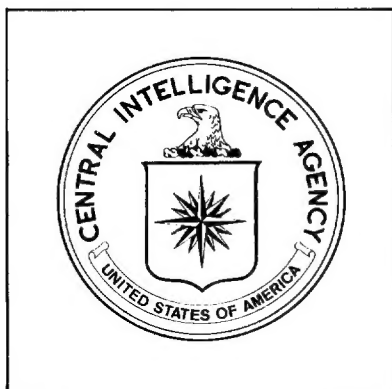


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SOVIET UNION - EASTERN EUROPE

This publication is prepared for regional specialists in the Washington community by the USSR - Eastern Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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USSR-Angola: The Popular Movement's Sugar Daddy

Moscow is pursuing a policy of uncompromising support for the Popular Movement for the Liberation of Angola. It is not only training Popular Movement troops, but more important, is delivering military equipment. These deliveries do not cost the Soviets much, but they have considerable impact on troubled Angola. Moscow has sharply increased shipments during the past year, almost certainly because it calculated that the revolution in Portugal would foster a change in the status quo in Angola, which the Soviets wanted to be in a position to exploit.

Even before the increased shipments began, the Popular Movement had amassed an impressive array of Soviet equipment. The Movement's arsenal was well stocked with a variety of small arms, including machine guns and grenade launchers, and some heavier items, such as 82-mm. mortars, B-10 82-mm. recoilless rifles, and 122-mm. rockets.

The new deliveries have continued the flow of some of this equipment and have added several other types of materiel, including armored cars, trucks, tracked armored anti-aircraft vehicles, armored personnel carriers, RPG-7 anti-tank launchers, anti-tank wire-guided missiles, and rocket launchers. With the receipt of this materiel, the Popular Movement is far and away the best equipped of the contending groups in Angola.

The Soviets have used two routes for getting supplies to the Popular Movement. During the insurgency against the Portuguese, Soviet equipment was unloaded at the Tanzanian port of Dar es Salaam, and from there it was transported overland through Zambia. The Soviets are still making some use of Dar es Salaam, but equipment is now moved into Angola via aircraft and third country vessels, as well as overland transport. The primary route over the past year, however, has been via Congo. Equipment

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unloaded at Pointe Noire is flown from Brazzaville into Angola, or shipped down the coast in two converted landing craft used by the Popular Movement. These landing craft do not need a deep-water port, and are thus able to deliver cargo to prearranged rendezvous points hidden along the Angolan coast. On occasion arms-bearing ships have unloaded into the landing craft or fishing boats while at sea. An East German ship and a Yugoslav ship have each unloaded military equipment in Luanda harbor itself.

Moscow conducts training programs for the Popular Movement both within the USSR and in Congo. Thousands of Popular Movement troops have received training in the USSR since the early '60s; hundreds of trainees are now in the Soviet Union. A few members of the Movement have been sent to East Germany to be trained in intelligence and security subjects. It is no surprise that Popular Movement troops are better organized and better led than those of its major rival, the National Front.

There have been reports of Soviet military advisers and Congolese troops in Angola assisting the Popular Movement, but these reports are sketchy and unconfirmed. What seems more likely is that the Soviets have asked Cuba to help out with advisers and technicians. Indeed, eight Cubans arrived in Luanda on August 3. Officials of the Ministry of Information, which is controlled by the Popular Movement, have tried to pass them off as tourists.

The Soviets are probably using the Portuguese Communists as the channel for getting political advice and guidance to the Popular Movement. As far as we know, there are no Soviet officials in Luanda or Angola. Moreover, the ties between the Popular Movement and the Portuguese Communists are close. The Popular Movement was originally an offshoot of the Portuguese Communist Party. Agostinho Neto, the Popular Movement's leader, is an old acquaintance of Cunhal and seems to share his outlook on Marxism and Moscow.

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The Soviets probably see the pro-Soviet Marxist Neto as the kind of liberation movement leader they prefer to work with. Their relative generosity to the Popular Movement may be intended to exemplify the rewards which await those who associate themselves with Moscow. Over the longer term, the Soviets may hope that with an amenable government in Luanda, they will be able to exert a major influence on events in southern Africa and to limit Chinese advances in the region.

The Soviets presumably have not lost sight of the strategic or economic opportunities that might flow from an Angola under the control of Neto's Popular Movement. But it is hard to see how much, if anything, Moscow would actually gain from bases in Angola. With the opening of the Suez Canal the south Atlantic seafaring lanes are even less important to the Soviet navy than they have been. Bases in Angola could not add significantly to any current Soviet military activity, and Angola would be strategically important to Moscow only if the Soviets contemplated a major new increase of their activities in the south Atlantic. This seems highly unlikely.

The Soviets themselves have no need for Angolan or Cabindan resources, but they might want to use Cabindan oil to supply some of their East European clients. The Soviets may also want to hinder Western access to the minerals in the area.

The Soviets probably do not expect any immediate return on their investment. While their arms and equipment have helped the Popular Movement to assert control over Luanda, Cabinda, and some other areas, they have not--and probably cannot--overcome the Popular Movement's inherent weaknesses. The Popular Movement's essentially urban character, its relatively limited personnel resources, and Neto's doctrinaire and unappealing personality make significant inroads

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[redacted]

into the countryside strongholds of the National Front or National Union unlikely, no matter how much equipment the Soviets send.

On the other hand, neither of the other two groups (or both in concert for that matter) appears able to defeat the Popular Movement decisively on its territory. Since there is no support whatsoever for a partition agreement, a protracted war of attrition seems in the offing, and Moscow wants to make sure the Popular Movement is well provisioned for the ordeal.

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More On the Serb Affair

General Ion Serb, arrested in late 1971 on charges of spying for the Soviets, was executed soon afterward,

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[redacted] Serb, who was commander of the Bucharest garrison, was not part of a Soviet plot to overthrow Ceausescu, but did supply the Soviets with top secret information on military units, facilities, and defense plans for Bucharest and its environs.

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[redacted] Ceausescu had been aware of Serb's pro-Soviet activities for some time, but had waited for the right time to unmask him. In the past,

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[redacted] Ceausescu's counterintelligence service has permitted known Soviet intelligence operations to continue inside Romania in order to feed them disinformation. This may account for Ceausescu's way of handling Serb.

This appears to be the most plausible report thus far received on the activities and fate of General Serb. Fall-out from the Serb affair included Ceausescu's decision to play an increased role in security and military affairs and the dismissal of party secretary Vasile Patilinet. Patilinet had held the security affairs portfolio at the time of the Serb affair. He is now minister of forestry. The discovery of Serb's activities also led to the promulgation of a new law on the protection of state secrets that severely limits exchanges of information with all foreigners.

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Romania: Talks with GM

Romanian officials met with representatives of General Motors in July to discuss the manufacture of a small car in Romania. The talks, which are scheduled to resume later this month, center on possible GM assistance in constructing a facility capable of turning out 120,000 cars a year. Much of the production is planned to be sold in West European markets.

Bucharest is pressing for GM equity participation, which would be limited to 49 percent under Romanian law. This arrangement would allow Romania to acquire the necessary equipment without increasing its hard-currency expenditures. GM, noting the problems of other Western firms in negotiating joint ventures with Bucharest and the ambiguity of Romanian laws concerning profit repatriation, has offered instead to help Bucharest secure credits to finance the required investment.

Last year, Romania manufactured about 54,000 Dacia automobiles under a licensing agreement with Renault. More than half of these cars were exported, primarily to other CEMA countries. Bucharest's keen interest in concluding an agreement with a US firm--which goes back several years--undoubtedly stems from its desire for hard-currency earnings from the expected exports.

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